

**RESOLUTION**  
**CITY OF SAINT PAUL, MINNESOTA**

Presented By \_\_\_\_\_

Referred To \_\_\_\_\_ Committee: Date \_\_\_\_\_

*A Resolution enacted by the City Council of the  
City of Saint Paul, Minnesota*

WHEREAS, the City of Saint Paul ("City") granted a nonexclusive cable system franchise on May 27, 1998 and effective July 31, 1998 which further provides that it is subject to and incorporates Chapter 430 of the Saint Paul Legislative Code (the "Franchise"); and

WHEREAS, the City of Saint Paul's cable service franchisee is Comcast of St. Paul, Inc. ("Comcast") which entered into an agreement with the City dated July 24, 2002 in connection with a request for approval of a merger involving Comcast's parent company ("Transfer Agreement"); and

WHEREAS, said Transfer Agreement required Comcast, among other things, to verify that its subscriber drops are in compliance with the current version of applicable safety codes, as is required with respect to the cable system under paragraph 1 of Exhibit A of the Franchise; and

WHEREAS, said Transfer Agreement states that, "If 90% of the drops audited are in compliance with the current version of applicable safety codes, [Comcast] will be deemed to be in compliance with its obligation under the portion of paragraph 1, Exhibit A quoted above, as it applies to drops"; and

WHEREAS, said Transfer Agreement further states that, "If the 90% standard is not satisfied, the Franchisee [Comcast] will be deemed to be in material breach of its franchise obligations"; and

WHEREAS, after completion of a test in 2002 and another test in 2004, Comcast failed to satisfy the 90% standard; and

WHEREAS, the City's cable communications officer now deems Comcast to be in material breach of its franchise obligations and thus obligated to pay liquidated damages accordingly; and

WHEREAS, Comcast agrees that it failed to satisfy the 90% standard, but disputes whether appropriate procedural requirements of the Franchise were followed; and

WHEREAS, the City and Comcast wish to enter into a Settlement Agreement with respect to the failure to satisfy the 90% standard; the procedures used to assess, and the amount

1 of, liquidated damages owed; and to require a new deadline for and resolve outstanding  
2 obligations of Comcast to upgrade subscriber drops under the Transfer Agreement and the  
3 Franchise.

4  
5 NOW, THEREFORE, be it resolved:

6  
7 The parties agree to settle the outstanding completion/drop grounding issues according to  
8 a Settlement Agreement that contains the following terms:

- 9  
10 A. Comcast will continue to carry out the various components included in the Drop  
11 Project Plan submitted to the City June 22, 2004, as well as the modifications set  
12 forth in the City's June 30, 2004 letter, in order to bring the subscriber drops into  
13 compliance with the requirements of the Franchise. The new deadline for  
14 compliance is May 31, 2005.
- 15  
16 B. Comcast will pay \$150,000.00 in liquidated damages to the City within 20 days  
17 after the effective date of the Settlement Agreement and the City will be permitted  
18 to retain the \$100,000.00 already drawn by the City from Comcast's letter of  
19 credit. Comcast has replenished the letter of credit.
- 20  
21 C. Comcast will pay the City \$26,000 towards its internal and external legal costs  
22 related to the upgrade completion/subscriber drop issues incurred since February  
23 2004.
- 24  
25 D. Comcast will install a number of specified INET connections and/or PEG related  
26 projects, to be specified by the City at a future date, at a value of \$150,000.00.
- 27  
28 E. Comcast will pay all costs associated with the inspection (anticipated June 2005)  
29 following the anticipated May 31, 2005 completion of the above-referenced Drop  
30 Project Plan.
- 31  
32 F. If Comcast does not meet the 90% compliance standard, the parties shall agree  
33 upon and hire a third party to audit Comcast's records and determine whether, in  
34 the third party's opinion, Comcast completed the Drop Project Plan as required.  
35 Comcast shall pay all costs, fees and expenses associated with this audit. The  
36 opinion of the third party verifier shall be final for purposes of this settlement  
37 agreement.
- 38  
39 G. The results or findings of the inspection and/or of the compliance auditor shall not  
40 otherwise reduce, limit, or in any other way affect Comcast's franchise obligations  
41 in any way, which shall be deemed to be ongoing.
- 42  
43 H. In the event that the results of the inspection reflect a 90% or higher compliance  
44 standard, or the third party verifier issues a finding that Comcast did complete the  
45 project despite the results of the inspection, then Comcast shall be deemed to have  
46 satisfied and fully discharged any and all upgrade completion obligations under  
47 the Transfer Agreement and the Franchise, and Comcast will not be required to  
48 pay any further liquidated damages or penalties with respect to the upgrade of  
49 subscriber drops.
- 50  
51 I. If Comcast does not meet the 90% inspection standard in the June 2005  
52 inspection, and the third party verifier issues a finding that Comcast did not

complete the project, then Comcast will be required to pay, without further notice or hearing, liquidated damages in the amount of \$1000 per day (as calculated per the Franchise and Section 1 of the Settlement Agreement) for the period of October 1, 2004 through May 31, 2005. The City may also continue to assess additional liquidated damages against Comcast, via invoice to Comcast and without further notice or hearing, at the CPI-adjusted rate of \$1,000/day, continuing until Comcast has completed the project. In the event of a breach of the Settlement Agreement, Comcast shall be deemed to have substantially and materially violated the Franchise; provided, however, that the City may not pursue multiple enforcement actions with respect to the same breach. The provisions of the Settlement Agreement and the Franchise will govern the exercise of any remedy or violation or revocation proceeding, including, without limitation, any applicable damages or penalties.

J. Comcast will not pass through to its customers the costs of any past or future liquidated damages incurred in this matter.

RESOLVED, the Mayor, the Director of the Office of Technology and the Director of the Office of Financial Services are hereby authorized to execute the aforementioned Settlement Agreement as today submitted to the council, and to enforce all of its terms to the fullest extent.

	Yeas	Nays	Absent
Benanav			
Bostrom			
Harris			
Helgen			
Lantry			
Montgomery			
Thune			

Adopted by Council: Date \_\_\_\_\_

Adoption Certified by Council Secretary \_\_\_\_\_

By: \_\_\_\_\_

Approved by Mayor: Date \_\_\_\_\_

By: \_\_\_\_\_

Requested by Department of: \_\_\_\_\_

By: Karen Johnson

Form Approved by City Attorney

By: Alisa A. Keith

Approved by Mayor for Submission to Council

By: \_\_\_\_\_

**SUBSCRIBER DROP SETTLEMENT AGREEMENT**

**THIS SETTLEMENT AGREEMENT** ("Agreement") is made as of the \_\_\_\_ day of December, 2004, by and between the City of Saint Paul, Minnesota, a municipal corporation (the "City") and Comcast of Saint Paul, Inc., a Delaware corporation ("Grantee" or "Comcast").

**WHEREAS**, Grantee holds a nonexclusive cable system franchise which was issued on May 27, 1998 and effective July 31, 1998, which further provides that it is subject to and incorporates Chapter 430 of the St. Paul Legislative Code (the "Franchise"); and

**WHEREAS**, in connection with a request for approval of merger involving Grantee's parent company, the City and Comcast entered into an Agreement dated July 24, 2002 ("Transfer Agreement") which contained certain conditions to the merger approval; and

**WHEREAS**, said Transfer Agreement addressed, among other things, a dispute regarding whether subscriber drops were in compliance with certain upgrade requirements under paragraph 1 of Exhibit A of its Franchise; and

**WHEREAS**, said Transfer Agreement states that, "If 90% of the drops audited are in compliance with the current version of applicable safety codes, [Comcast] will be deemed to be in compliance with its obligation under the portion of paragraph 1, Exhibit A quoted above, as it applies to drops"; and

**WHEREAS**, said Transfer Agreement further states that, "if the 90% standard is not satisfied, the Franchisee will be deemed to be in material breach of its franchise obligations"; and

**WHEREAS**, after completion of a test in 2002 and another test in 2004, Comcast failed to satisfy the 90% standard; and

**WHEREAS**, the City's cable communications officer now deems Comcast to be in material breach of its franchise obligations due to the failure to satisfy the 90% test and asserts that Comcast is thus obligated to pay liquidated damages accordingly; and

**WHEREAS**, Comcast asserts that the City' cable communication officer failed to comply with the procedural requirements of the Franchise with respect to any finding of breach or imposition of liquidated damages; and

**WHEREAS**, the parties disagree about the amount of liquidated damages due regarding the failure to satisfy the 90% standard and the procedures required to assess those penalties, and now wish to resolve that dispute and any outstanding obligations to upgrade subscriber drops under the Transfer Agreement and the Franchise (the "Drops Upgrade Dispute").

**NOW THEREFORE, FOR GOOD AND ADEQUATE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE AS FOLLOWS:**

**SECTION ONE. DEFINITIONS.**

1. Generally the terms used in this Agreement (except where expressly provided otherwise) are defined and shall be interpreted as provided in Section 101 and Section 300 of the Grantee's Franchise.
2. CPI. The Consumer Price Index for All Urban Consumers for the Minneapolis - St. Paul region, or if that index is no longer published, the closest comparable index published by the Bureau of Labor Statistics.

**SECTION TWO. TERMS OF SETTLEMENT.**

The parties agree to settle the outstanding Drops/Upgrade Dispute according to the following terms:

- A. Comcast will continue to carry out the various components included in the Drop Project Plan submitted to the City June 22, 2004, as well as the modifications set forth in the City's June 30, 2004 letter (each attached hereto as Attachment A), in order to bring the subscriber drops into compliance with the requirements of the Franchise and satisfy any outstanding obligations under the Transfer Agreement. Under that Drop Project Plan, the new deadline for compliance with the 90% standard is May 31, 2005.
- B. Comcast will pay \$150,000.00 in liquidated damages to the City within 20 days after the effective date of this settlement agreement and the City will be permitted to retain the \$100,000.00 already drawn by the City from Comcast's letter of credit maintained with the City pursuant to the Franchise. Comcast has replenished the letter of credit.
- C. Comcast will pay the City \$26,000.00 towards its internal and external legal costs related to the Drops/Upgrade Dispute incurred since February 2004, within 20 days after the effective date of this settlement agreement. The City agrees to provide Comcast with reasonable records of its external legal costs upon Comcast's request for accounting purposes.
- D. Comcast will install or provide a number of specified INET connections and/or PEG capital, to be specified by the City at a future date, at an aggregate value of \$150,000.00.
- E. Comcast will pay all costs, fees and expenses associated with the inspection (anticipated June 2005) following the anticipated May 31, 2005 completion of the above-referenced Drop Project Plan. All payments set forth in sections B., C.,

and D. herein shall constitute liquidated damages paid through October 1, 2004. The foregoing constitutes payment in full for all liquidated damages claimed, or which could have been claimed, by the City through October 1, 2004 with respect to the Drops/Upgrade Dispute.

- F. If the results of the re-inspection sampling test (anticipated June 2005) set forth in the Drop Project Plan reflect lower than the 90% compliance standard, then the parties shall appoint a mutually agreed-upon third party verifier to audit Comcast's records and determine whether, notwithstanding the results of the re-inspection sampling test, Comcast completed the project set forth in the Drop Project Plan. It is anticipated that such third party verifier may review Comcast records and documentation as well as conduct inspections or interviews if necessary. This shall be done as set forth in Section 3.C. Comcast shall pay all costs, fees and expenses associated with the third party verifier's review. The opinion of the third party verifier shall be final for purposes of this settlement agreement.
- G. Except as expressly provided in subsection 2.H. below, the results or findings of the inspection and/or of the third party verifier shall not in any way reduce, limit, or in any other way affect Comcast's franchise obligations, which shall be deemed to be ongoing.
- H. In the event that the results of the re-inspection sampling test set forth in the Drop Project Plan reflect 90% compliance or higher or the third party verifier issues a finding that Comcast did complete the project, then Comcast shall be deemed to have satisfied and fully discharged any and all upgrade completion obligations under the Transfer Agreement and the portion of paragraph 1, Exhibit A of the Franchise quoted above, and Comcast will not be required to pay any further liquidated damages or penalties with respect to the Drops/Upgrade Dispute.
- I. In the event that the results of the re-inspection sampling test set forth in the Drop Project Plan reflect lower than the 90% compliance standard and the third party verifier issues a finding that Comcast did not complete the project, then Comcast will be required to pay, without further notice or hearing, liquidated damages in the amount of \$1000 per day (as calculated per the Franchise and Section 1.B. herein) for the period of October 1, 2004 through May 31, 2005. In that event, the City may also continue assessment of liquidated damages in the amount of \$1000 per day, via invoice to Comcast and without further notice or hearing, continuing until such time as Comcast demonstrates the project has been completed as required.
- J. Comcast will not pass through to its customers the costs of any past or future liquidated damages paid with respect to the Drops/Upgrade Dispute.

**SECTION THREE. PROCEDURE TO TEST FOR COMPLIANCE.**

- A. On or before May 31, 2005, Grantee will provide the City a written list of a random sampling of active subscriber drops large enough to enable the City to inspect 400 subscriber drops while bypassing premises to which access is not available. The City will again conduct a random inspection of 400 drops to determine whether the drops are in compliance with the current version of safety codes. Grantee will accompany the City's representative to each drop site. If 90% of the drops audited are in compliance with the current version of applicable safety codes, Grantee will be deemed to be in compliance with, and to have fully satisfied and discharged, any and all of its upgrade obligations with respect to subscriber drops under the Transfer Agreement and the portion of paragraph 1, Exhibit A quoted above. Any further liquidated damages that might be due under the franchise will be forgiven, and the City will waive any claim to said damages for the period from October 1, 2004 to May 31, 2005.
- B. As part of the resolution of the Drops/Upgrade Dispute, Grantee will reimburse the City's actual reasonable out-of-pocket expenses associated with up to ten (10) business days of work by the consultant of the City's choice for the inspection (anticipated to occur in June 2005). "Out-of-pocket" expenses include, by way of example and not limitation, travel, hotel, professional fees and other expenses charged by the consultant. The City will provide the Grantee with a detailed invoice documenting the amount of the expenses, and the Grantee will have thirty (30) days to pay the invoice. If an invoice submitted by the City under this Section is contested, Comcast shall notify the City of such dispute within such 30-day period and pay the uncontested portion. Upon such notice, the contested portion of such invoice shall be escalated to the President of Comcast of St. Paul, Inc. and the Deputy Mayor of the City for final resolution.
- C. If the results of the inspection in 2005 reflects a finding lower than the 90% compliance standard, then the parties shall appoint a mutually agreed-upon third party verifier to determine whether, notwithstanding the results of the inspection, Comcast completed the project in accordance with the Drop Project Plan. The standard utilized by the third party verifier to determine completion shall be whether Comcast: a) inspected substantially all active drops in accordance with the Drop Project Plan (the standard is not 100% inspection, as there will be issues of access, connect/disconnect activity, etc., but certainly over 90% and evidence of a reasonable effort to inspect all active drops; and b) upgraded any that were identified in that inspection as not meeting current safety codes. A proposal for the work shall be prepared by the third party verifier, which proposal shall be mutually agreed upon, including any modification if needed, by the City and Comcast. The parties agree that said third party verifier may review Comcast's records and documentation as well as conduct inspections or interviews if necessary. Comcast shall pay all costs, fees and expenses of the third-party verifier, and the City and Comcast shall be entitled to a full copy of the records and reports generated by the verifier. The findings of the third party verifier shall

be final for purposes of this agreement and neither party shall contest those findings.

- D. In the event the third party verifier issues a finding that Comcast did complete the project, then Comcast shall be deemed to be in compliance with and to have fully satisfied and discharged any and all upgrade completion obligations under the Transfer Agreement and the portion of paragraph 1, Exhibit A of the Franchise quoted above, and Comcast will not be required to pay any further liquidated damages or penalties with respect to the Drops/Upgrade Dispute.
- E. In the event the third party verifier issues a finding that Comcast did not complete the project, then, as previously stated in (and not in addition to) Section 2.I, Comcast will be required to pay, without further notice or hearing, liquidated damages in the amount of \$1000 per day (as calculated per the Franchise and Section 1.B. herein) for the period of October 1, 2004 through May 31, 2005. In that event, the City may also continue assessment of liquidated damages in the amount of \$1000 per day, via invoice to Comcast and without further notice or hearing, continuing until such time as Comcast demonstrates the project has been completed as required.
- F. Nothing in this agreement is intended to relieve Grantee of its obligations to maintain its system in compliance with applicable safety codes. Without limiting the foregoing sentence, if Grantee receives a request from subscriber to repair or replace a drop that does not comply with the current version of applicable safety codes, that drop shall be promptly repaired or replaced. Grantee also agrees it will make a record of and proceed to promptly repair any drops found to be out of compliance during either the inspection and/or audit process.
- G. Without limiting the foregoing, Grantee shall maintain a program for inspecting drops on an ongoing basis as part of ordinary service calls.

#### **SECTION FOUR. INDEMNITY.**

Grantee agrees to indemnify and hold the City harmless against any loss, claim, damage, liability or expense (including, without limitation, such reasonable attorneys' fees) incurred as a result of any representation or warranty made by Grantee to the City in connection with this Agreement which is untrue, inaccurate, misleading or incomplete.

#### **SECTION FIVE. WARRANTIES AND REPRESENTATIONS; MISCELLANEOUS.**

- A. Warranties. The Grantee hereby represents and warrants that: (a) the execution and delivery of this Agreement does not contravene, result in a breach of, or constitute a default under, any contract or agreement to which it is a party or by which it or any of its properties may be bound (nor would such execution and delivery constitute such a default with the passage of time or the giving of notice or both), and does not violate or contravene any law, order, decree, rule,



regulation or restriction to which it is subject; (b) it is duly organized, legally existing and in good standing under the laws of the state of its organization; (c) the terms of this Agreement which apply to it constitute legal, valid and binding obligations of it, enforceable in accordance with such terms; and (d) the execution and delivery of, and performance by Grantee under this Agreement is within its powers and authority without the joinder or consent of any other party and have been duly authorized by all requisite action and are not in contravention of its charter, bylaws, or other organizational documents, or of any indenture, agreement or undertaking to which it is a party or by which it is bound. Each Party represents and warrants that it has full power and authority to enter into this Agreement and that the person executing this Agreement on behalf of such Party is fully and duly authorized to execute the Agreement on such Party's behalf.

- B. Advice of Counsel. The parties have carefully read and understand the effect of this Agreement; each of the parties has had the assistance of separate counsel, or has had the opportunity to have the assistance of separate counsel, in carefully reviewing, discussing and considering all terms of this Agreement; and counsel for each of the parties, if any, has read and considered this Agreement and advised such party to execute the same.
- C. Representations and Warranties Material. The representations and warranties made in this Agreement are material. It is a material breach of this Agreement if any representation or warranty proves to be untrue, inaccurate or incomplete in any material aspect.
- D. Obligations Not Franchise Fees. City and Grantee agree that none of the costs Grantee must incur, or payments that Grantee must make under this Agreement constitute franchise fees, and instead fall within one or more of the exceptions set out in 47 U.S.C. Sec. 542(g), and each further agrees it will not raise any claim or defense to the contrary, in any forum. Without limiting the materiality of any other provision, it is agreed that the City would not have released its claims without this provision. Except as otherwise provided in this paragraph, Grantee and City otherwise reserve all rights with respect to the treatment of costs and expenses associated with this Agreement for purposes of rate setting and line itemization.
- E. Binding Agreement, No Modification of Franchise. This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executor, receivers, trustees, successors and assigns; the representations and warranties contained herein survive the effective date hereof until the discharge of all obligations under this Agreement unless otherwise terminated or superseded by agreement of the parties. The parties agree this document constitutes a settlement of a dispute and does not constitute a modification of the Franchise, the terms of which remain in full force and effect; provided, however, that, except as expressly provided herein, this Agreement fully resolves and shall govern all claims and obligations with respect to the

Drops Upgrade Dispute; provided, further, that if the results of the re-inspection sampling test set forth in the Drop Project Plan reflect 90% compliance or higher or the third party verifier issues a finding that Comcast did complete the project, then Comcast shall be deemed to have satisfied and fully discharged any and all upgrade completion obligations under the Transfer Agreement and paragraph 1, Exhibit A of the Franchise. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. No statements, promises or inducements inconsistent with this Agreement made by any Party shall be valid or binding, unless in writing and executed by all Parties.

- F. Settlement. This Agreement is made by the Parties for the purpose of avoiding further costs and expenses related to the Drops/Upgrade Dispute, and does not constitute an admission by any Party regarding the validity or invalidity of any claim or defense presented or that may otherwise exist, or a rejection or repudiation of any of the factual or legal premises for the Parties' actions.
- G. Governing Law. This Agreement shall be governed in all respects by the law of the State of Minnesota.
- H. Time of Essence. In determining whether a party has complied with this Agreement, the parties agree that time is of the essence, except where the Agreement provides otherwise.
- I. Counterparts. This document may be executed in multiple counterparts, and by the parties hereto on separate counterparts, and each counterpart, when executed and delivered, shall constitute an original agreement enforceable against all who signed it without production of, or accounting for, any other counterpart, and all separate counterparts shall constitute the same agreement.
- J. Captions. The captions and headings of this Agreement are for convenience and reference purposes only, and shall not affect in any way the meaning and interpretation of any provisions of this Agreement.

**SECTION SIX. EFFECT OF FAILURE TO COMPLY WITH THE AGREEMENT.**

In the event of a breach of this Agreement, the Grantee shall be deemed to have substantially and materially violated the Franchise; provided, however, that the City may not pursue multiple Franchise enforcement actions with respect to the same breach. The provisions of this Agreement and the Franchise shall govern the exercise of any remedy or violation or revocation proceeding, including, without limitation, any applicable damages or penalties.

**SIGNATURE PAGE – SUBSCRIBER DROP SETTLEMENT AGREEMENT**

Date: \_\_\_\_\_

\_\_\_\_\_  
COMCAST OF ST. PAUL, INC.

Date: \_\_\_\_\_

\_\_\_\_\_  
Director, Office of Technology  
City of Saint Paul

Date: \_\_\_\_\_

\_\_\_\_\_  
Mayor, City of Saint Paul

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

SIGNATURE PAGE – SUBSCRIBER DROP SETTLEMENT AGREEMENT

Date: \_\_\_\_\_

COMCAST OF ST. PAUL, INC.

Date: \_\_\_\_\_

Karen Johnson  
Director, Office of Technology  
City of Saint Paul

Date: \_\_\_\_\_

Mayor, City of Saint Paul

APPROVED AS TO FORM:

Lisa A. Veith  
Assistant City Attorney



CITY OF SAINT PAUL

Randy C. Kelly, Mayor

OFFICE OF CABLE  
COMMUNICATIONS  
68 City Hall  
15 W. Kellogg Blvd.  
Saint Paul, Minnesota 55102

Telephone: 651-266-8870  
Facsimile: 651-266-8871

RECEIVED

MAY 31 2005

MAYOR'S OFFICE

May 26, 2005

Bill Wright  
Comcast of St. Paul, Inc.  
10 River Park Plaza  
Saint Paul, MN 55107

Re: Subscriber Drop Audit Letter of Understanding

Dear Mr. Wright:

This letter confirms both Comcast's and the City of Saint Paul's understandings of the pending subscriber drop audit procedure to test for compliance. These understandings either add to or modify Section Three., A. of the Subscriber Drop Settlement Agreement (Agreement) only to the extent set forth herein; all other provisions remain fully in force and effect.

Comcast will provide a random sample listing of homes for inspection as outlined in the Agreement. From this list of addresses, approximately 25-30 homes/units will be targeted each day for inspection. To expedite the inspection process, Comcast will provide a "lead team(s)" that will visit each home/unit that is scheduled for inspection that day by the Consultant. The purpose of the lead team(s) is to ascertain the location and accessibility of the elements of the cable drop to be inspected.


Commencing on May 31, 2005, the City's Consultant (William Pohts) will inspect 200 subscriber units, (houses, apartments, etc.) over an approximate two-week period. The audit's first week's schedule will be May 31 – June 4. The second week of the audit will start on June 6 and end approximately on June 10. All parties will assess on June 6 the progress of the inspections to have a better "feel" for whether it may take longer than June 10th to inspect 200 homes. If the 200 inspections will not be completed by June 10, then they will be completed at a time determined to be acceptable to all parties, including Consultant. The inspections will be conducted each day approximately from 8:00 AM until 5:00 PM. All reasonable costs for Consultant and City expenses related to the audit will be covered by Comcast, as outlined in the Agreement.

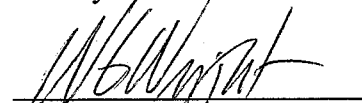
When 200 homes have been inspected, Comcast and the City of Saint Paul will assess the compliance success rate of the field audit, as outlined in the Agreement. If 90% of the drops audited are in compliance with the current version of applicable safety codes, Grantee will be deemed to be in compliance with, and to have fully satisfied and discharged, any and all of its upgrade obligations with respect to subscriber drops under the Transfer Agreement and the portion of paragraph 1, Exhibit A as referenced in the Agreement.

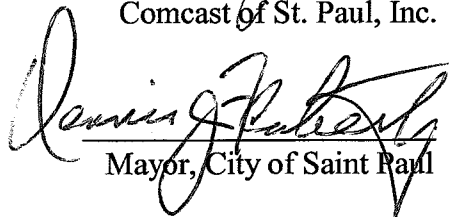
If Comcast does not achieve a 90% rate or better, then Comcast at its option may then decide to retain a "third party verifier" as outlined in the Agreement, or Comcast may elect to have an additional 200 homes will be inspected by the Consultant, which brings the cumulative number of homes inspected to 400. If after completing the inspection of 400 homes Comcast achieves a success rate of 90% or better, as outlined in the Agreement, then it will be determined that Comcast has satisfied the Agreement. If Comcast does not achieve a 90% rate or better, then the process as outlined in Section 3. C. of the Agreement will be followed.

If an additional 200 homes are inspected, bringing the total count to 400, Comcast will cover all reasonable costs incurred for Consultant and City as outlined in the Agreement. The dates for the inspection of the additional 200 homes will be mutually agreed to by Comcast and the City of Saint Paul, with the understanding that it will be conducted as soon as practically and reasonably possible.

By signing this Letter of Understanding each party agrees to the terms and conditions as stated herein, and each party warrants and represents that this Agreement has been fully authorized in accordance with its respective procedures.

 Date 5/31/05  
Office of Technology  
City of Saint Paul

 Date 5/21/05  
Comcast of St. Paul, Inc.

 Date 6-2-05  
Mayor, City of Saint Paul

APPROVED AS TO FORM:

 Date 5/27/05



CITY OF SAINT PAUL

Randy C. Kelly, Mayor

OFFICE OF CABLE  
COMMUNICATIONS  
68 City Hall  
15 W. Kellogg Blvd.  
Saint Paul, Minnesota 55102

Telephone: 651-266-8870  
Facsimile: 651-266-8871

June 10, 2005

Bill Wright  
Comcast of St. Paul, Inc.  
10 River Park Plaza  
Saint Paul, MN 55107

Re: Satisfaction of Subscriber Drop Settlement Agreement

Dear Mr. Wright:

As you know, from the period of May 31 – June 8, 2005, the City of Saint Paul, and its engineer consultant, conducted the audit inspection of 200 subscriber drops in Saint Paul. Upon completion of the audit, it was determined that of the 200 subscriber drops inspected, 189 were deemed to have passed inspection, resulting in a passing percentage of 94.5%. Per the terms of the Subscriber Drop Settlement Agreement, and the subsequent May 26, 2005 Letter of Understanding, it is the City of Saint Paul's pleasure to officially inform you that Comcast has been deemed to be in compliance with, and to have fully satisfied and discharged, any and all upgrade obligations with respect to subscriber drops.

Furthermore, on behalf of the City of Saint Paul, please congratulate all Comcast staff who worked so hard to bring the drops into compliance. Bill Pohts, the City's engineer consultant, noted that Comcast has done a very good job of bringing their system up to code.

In a related matter, as per the Agreement, I will forward to Comcast as soon as all costs are compiled, the bill for expenses associated with the audit.

Again, congratulations.

Sincerely,

Mike Reardon  
Cable Communications Officer

Cc: Karen Johnson  
Lisa Veith  
Emmett Coleman  
Kathi Donnelly-Cohen